

ALLEN PARISH TOURIST COMMISSION
ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITORS' REPORT
Year Ended December 31, 2011

Under the provisions of state law, this report by public accountants is intended to provide the public with information about the financial condition of the entity and to provide an independent opinion on the financial statements. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis

Within this section of the Allen Parish Tourist Commission (Commission) annual financial report, the Commission's management is pleased to provide this narrative discussion and analysis of the financial activities of the Commission for the fiscal year ended December 31, 2011. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Commission's assets exceeded its liabilities by \$941,151 (net assets) for the fiscal year reported.
- Total revenues of \$221,219 exceeded total expenditures of \$217,349, which resulted in a current year surplus of \$3,870, compared to a prior year loss of \$34,899.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$754,157 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt related to the purchase of capital assets.
 - (2) Unassigned/unrestricted net assets of \$186,994.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was 85% of total General Fund expenditures and 85% of total General Fund revenues.
- Overall, the Commission continues to maintain a solid financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Commission's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Commission also includes in this report additional information to supplement the basic financial statements.

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis

Government-wide Financial Statements

The Commission's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Commission's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the Commission's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission as a whole is improving or deteriorating. Evaluation of the overall health of the Commission would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Commission's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Commission's distinct activities or functions on revenues provided.

The government-wide financial statements are presented on pages 12 through 13 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Commission uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Commission's most significant funds rather than the Commission as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Commission uses governmental funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Commission's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15 through 18 of this report.

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Commission's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These statements and schedules demonstrate compliance with the Commission's adopted and final revised budget. Required supplemental information can be found on page 28 of this report.

Financial Analysis of the Commission as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Commission as a whole.

The Commission's net assets at fiscal year-end are \$941,151. The following table provides a summary of the District's net assets.

	<u>2011</u>		<u>2010</u>	
Assets				
Current assets and other assets	\$ 251,142	22%	\$ 234,102	20%
Capital assets	<u>889,157</u>	<u>78</u>	<u>911,025</u>	<u>80</u>
Total assets	<u>1,140,299</u>	<u>100%</u>	<u>1,145,130</u>	<u>100%</u>
Liabilities				
Current liabilities	89,148	44%	72,849	35%
Long term liabilities	<u>110,000</u>	<u>56</u>	<u>135,000</u>	<u>65</u>
Total liabilities	<u>199,148</u>	<u>100%</u>	<u>207,849</u>	<u>100%</u>
Net assets				
Investment in capital assets, net of debt	754,157	80%	751,028	80%
Unassigned/unrestricted	<u>186,994</u>	<u>20</u>	<u>186,256</u>	<u>20</u>
Total net assets	<u>\$ 941,151</u>	<u>100%</u>	<u>\$ 937,281</u>	<u>100%</u>

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis

The Commission continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 2.8 to 1 (3.2 for 2010).

Note that approximately 80% (80% for 2010) of the governmental activities' net assets are tied up in capital assets. The Commission uses these capital assets to provide services to its citizens.

Overall, the Commission reports net assets of \$941,151. This amount is \$3,870 higher than last year. The Commission's overall financial position improved during fiscal year 2011.

The following table provides a summary of the Commission's changes in net assets:

Revenues	<u>2011</u>		<u>2010</u>	
Program				
Hotel/Motel Use Tax	\$ 162,033	73%	\$ 175,055	98%
Capital Grants	53,932	24	1,135	1
General				
Interest	1,505	1	2,531	1
Miscellaneous	<u>3,749</u>	<u>2</u>	<u>303</u>	<u>-</u>
Total Revenues	<u>221,219</u>	<u>100%</u>	<u>179,024</u>	<u>100%</u>
Program expenses				
Tourism Administration	211,424	97%	207,273	97%
Interest	<u>5,925</u>	<u>3</u>	<u>6,650</u>	<u>3</u>
Total Expenses	<u>217,349</u>	<u>100%</u>	<u>213,923</u>	<u>100%</u>
Change in net assets	3,870		(34,899)	
Beginning net assets	<u>937,281</u>		<u>972,180</u>	
Ending net assets	<u>\$ 941,151</u>		<u>\$ 937,281</u>	

Governmental Revenues

The Commission is heavily reliant on hotel/motel use taxes. These taxes provided 73% (98% for 2010) of the Commission's revenues during the current year.

Governmental Functional Expenses

The total function of the Commission is to promote tourism in Allen Parish. The only other non-functional cost is interest expense related to the outstanding obligations of long-term debt. Of the total cost, depreciation on the equipment was \$21,871 or 10% of total expenses, \$24,492 or 11% for 2010.

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis

Financial Analysis of the Commission's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an ending fund balance of \$188,939, all of which is unreserved.

The excess of revenues over expenditures for the governmental funds show a surplus of \$495 compared to a loss of \$34,637 for the prior year.

Budgetary Highlights

The General Fund – When the original budget was adopted, it was anticipated that the total revenues were going to be \$27,976 more than the previous fiscal year, mainly due to an increase in hotel/motel use tax revenues. The total budgeted expenditures were anticipated to be \$12,306 less than the previous year's actual expenditures. The budget was amended once during the year, the revenues in anticipation of a \$55,000 decrease in hotel/motel use taxes and an increase in intergovernmental revenues of 22,780 and the expenditures an increase of \$21,855, mainly for Myths and Legends Byway Project.

Capital Assets and Debt Administrators

Capital assets

The Commission's investment in capital assets, net of accumulated depreciation as of December 31, 2011, was \$889,157. See Note C for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	<u>2011</u>	<u>2010</u>
Non-depreciable assets-land	\$ 111,331	\$ 111,331
Non-depreciable assets-museum artifacts	12,936	12,936
Depreciable assets		
Equipment	60,464	60,464
Furniture & fixtures	20,736	20,736
Buildings	755,417	755,417
Improvements	<u>108,280</u>	<u>108,280</u>
Total depreciable assets	944,897	944,897
Less accumulated depreciation	<u>180,007</u>	<u>158,136</u>
Book value-depreciable assets	<u>\$ 764,890</u>	<u>\$ 786,761</u>
Percentage depreciated	<u>23%</u>	<u>17%</u>
Book value-all assets	<u>\$ 889,157</u>	<u>\$ 911,028</u>

ALLEN PARISH TOURIST COMMISSION

Management's Discussion and Analysis

Long-term debt

At the end of the fiscal year, the Commission had total long-term debt obligations outstanding of \$135,000. During the year, the Commission retired \$25,000 under normal payment requirements. See Note E for additional information regarding long-term debt.

Economic Conditions Affecting the Commission

Since the primary revenue stream for the Commission is hotel/motel taxes, the Commission tax revenues are subject to changes in the economy.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances, comply with finance-related laws and regulations, and demonstrate the Commission's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Director of the Commission, Adagna A. Haddock, at (337) 639-4868.



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Independent Auditors' Report

Board of Commissioners
Allen Parish Tourist Commission
Oberlin, LA

May 2, 2012

We have audited the accompanying financial statements of the governmental activities and the major fund of the Allen Parish Tourist Commission, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Allen Parish Tourist Commission management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Allen Parish Tourist Commission as of December 31, 2011, and the changes of financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2012 on our consideration of the Allen Parish Tourist Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Gragson, Casiday & Guillory

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ALLEN PARISH TOURIST COMMISSION

Statement of Net Assets

December 31, 2011

ASSETS	
Cash	\$ 215,577
Taxes receivable	13,198
Prepaid expenses	196
Due from intergovernmental	22,021
Security deposits	150
Capital assets, net	889,157
Total assets	\$ 1,140,299
LIABILITIES	
Current liabilities	
Accounts payable	\$ 962
Payroll taxes payable	1,617
Accrued interest payable	1,945
Deferred revenue	59,624
Long-term liabilities	
Due within one year	25,000
Due after one year	110,000
Total liabilities	199,148
NET ASSETS	
Invested in capital assets, net of related debt	754,157
Unassigned	186,994
Total net assets	\$ 941,151

The accompanying notes are an integral part of the basic financial statements

ALLEN PARISH TOURIST COMMISSION

Statement of Activities

Year Ended December 31, 2011

Activities	Expenses	Program Revenues		Net Revenues (Expenses) and Changes in Net Assets
		Hotel/Motel Use Tax	Capital Grants and Contributions	
Governmental activities				
Tourism Administration	\$ 211,424	\$ 162,033	\$ 53,932	\$ 4,541
Interest on L-T Debt	5,925	-	-	(5,925)
Total	<u>\$ 217,349</u>	<u>\$ 162,033</u>	<u>\$ 53,932</u>	<u>(1,384)</u>
		General revenues		
		Miscellaneous		3,749
		Interest		1,505
		Total general revenues		<u>5,254</u>
		Change in net assets		3,870
		Net assets - beginning		<u>937,281</u>
		Net assets - ending		<u>\$ 941,151</u>

The accompanying notes are an integral part of the basic financial statements

FUND FINANCIAL STATEMENTS (FFS)

ALLEN PARISH TOURIST COMMISSION

Balance Sheet - Governmental Funds

December 31, 2011

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 215,577	\$ 222,819
Taxes receivable	13,198	10,937
Due from intergovernmental	22,021	-
Prepaid expenses	196	196
Security deposits	150	150
TOTAL ASSETS	<u>\$ 251,142</u>	<u>\$ 234,102</u>
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts payable	\$ 962	\$ 2,899
Deferred revenue	59,624	41,398
Payroll taxes payable	1,617	1,361
Total Liabilities	<u>62,203</u>	<u>45,658</u>
Fund Equity		
Fund balance		
Unassigned	188,939	188,444
Total Fund Equity	<u>188,939</u>	<u>188,444</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 251,142</u>	<u>\$ 234,102</u>

The accompanying notes are an integral part of the basic financial statements

ALLEN PARISH TOURIST COMMISSION

Reconciliation of the Balance Sheet-Governmental Fund to the
Statement of Net Assets

December 31, 2011

Total fund balance for governmental fund at December 31, 2011			\$ 188,939
Total net assets reported for governmental activities in the statement of net assets is different because			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds Those assets consist of			
Land	\$ 111,331		
Museum Artifacts non-depreciable	12,936		
Capital assets, net of \$180,007 accumulated depreciation	<u>764,890</u>	889,157	
Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds			
Accrued interest payable	(1,945)		
Bonds payable	<u>(135,000)</u>	<u>(136,945)</u>	
Total net assets of governmental activities at December 31, 2011			<u>\$ 941,151</u>

The accompanying notes are an integral part of the basic financial statements

ALLEN PARISH TOURIST COMMISSION

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund

Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
REVENUES		
Hotel/Motel use tax	\$ 162,033	\$ 175,055
Interest	1,505	2,531
Intergovernmental	53,932	1,135
Miscellaneous income	3,749	303
TOTAL REVENUES	<u>221,219</u>	<u>179,024</u>
EXPENDITURES		
Current		
Advertising	11,587	18,002
Bank fees	86	-
Contract labor	3,800	1,090
Dues	1,215	1,340
Employee benefits	3,506	3,067
Insurance	13,396	16,485
Myths and Legends Byway project	22,780	-
Payroll taxes	4,987	4,706
Per diem - board members	2,850	3,400
Professional fees	5,315	5,805
Promotions	9,274	14,746
Rent	3,740	3,787
Repairs and maintenance	8,441	16,051
Salaries	65,184	60,475
Supplies	10,045	9,746
Telephone	8,547	9,235
Training and education	135	650
Travel	4,959	3,412
Utilities	9,706	10,784
Capital Outlay	-	-
Debt Service		
Principal retirement	25,000	24,000
Interest	6,171	6,880
TOTAL EXPENDITURES	<u>220,724</u>	<u>213,661</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	495	(34,637)
FUND BALANCE - BEGINNING	<u>188,444</u>	<u>223,081</u>
FUND BALANCE - ENDING	<u>\$ 188,939</u>	<u>\$ 188,444</u>

The accompanying notes are an integral part of the basic financial statements

ALLEN PARISH TOURIST COMMISSION

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance-Governmental Fund to the Statement of Activities

Year Ended December 31, 2011

Total net changes in fund balances at December 31, 2011 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$	495
The change in net assets reported for governmental activities in the Statement of Activities different because			
Governmental funds report capital outlays as expenditures However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense			
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$	-	
Depreciation expense for the year ended December 31, 2011		(21,871)	(21,871)
Governmental funds report bonded debt repayments as expenditures However, this expenditure does not appear in the Statement of Activities since the payment is applied against the bond payable on the Statement of Net Assets			25,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis			246
Total changes in net assets at December 31, 2011 per Statement of Activities		\$	<u>3,870</u>

The accompanying notes are an integral part of the basic financial statements

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Allen Parish Tourist Commission was created by the Allen Parish Police Jury under LSA-RS 33 4574. The Commission is governed by a board of seven commissioners who are appointed by the Allen Parish Police Jury. The Commission has as its purpose the promotion of tourism within Allen Parish.

The accounting and reporting policies of the Allen Parish Tourist Commission conform to generally accepted accounting principles as applied to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, Audits of State and Local Governments. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1 Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Allen Parish Tourist Commission includes all funds, account groups, et cetera, that are within the oversight responsibility of the Allen Parish Tourist Commission.

As the governing authority, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- I Appointing a voting majority of an organization's governing body and
 - a The ability of the Allen Parish Police Jury to impose its will on that organization and/or
 - b The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Allen Parish Police Jury
- II Organizations for which the Allen Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Allen Parish Police Jury
- III Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship

Based upon the application of these criteria, Allen Parish Tourist Commission is a component unit of the Allen Parish Police Jury's reporting entity.

Continued

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2 Basis of Presentation

The accompanying basic financial statements of the Allen Parish Tourist Commission have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, "Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments", issued in June 1999.

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the Allen Parish Tourist Commission as a whole. These statements include all the financial activities of the Allen Parish Tourist Commission's office. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Allen Parish Tourist Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include hotel/motel use tax. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The Allen Parish Tourist Commission uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid managements by segregating transactions related to certain Allen Parish Tourist Commission functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Allen Parish Tourist Commission or its total assets, liabilities, revenues or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds. The major fund of the Allen Parish Tourist Commission is the General Fund. The Governmental Funds are described below.

General Fund

The general operating fund of the Commission and accounts for all financial resources, except those required to be accounted for in another funds.

3 Measurement Focus/Basis of Accounting

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is the reconciled, through adjustment, to a government-wide view of Allen Parish Tourist Commission operations. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The amounts reflected in the governmental funds use the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Allen Parish Tourist Commission considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for the interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Those revenues susceptible to accrual are hotel/motel tax and interest.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Capital expenditures are regarded as expenditures at the time purchased.

When both restricted and unassigned resources are available for use, it is the Commission's policy to use restricted resources first, then unassigned resources as they are needed.

4. Cash

For reporting purposes, cash includes demand deposits, time deposits, and certificates of deposit. Under state law, the Allen Parish Tourist Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2011, the Commission has cash equivalents (book balances) totaling \$215,577 in interest-bearing demand deposit accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting book balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties (GASB Category 3). At December 31, 2011, the Commission has \$217,729 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5 Budget

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. Expenditures may not legally exceed budgeted appropriations at the activity level.

The final budget for 2011 includes the original budget and one amendment during the year.

6 Accounts Receivable

Allen Parish Tourist Commission utilizes the allowance method to recognize doubtful accounts for taxes receivable. The allowance for doubtful accounts at December 31, 2011 was \$0.

Uncollectible amounts due for other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

7 Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The Allen Parish Tourist Commission maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	Estimated Useful Lives
Equipment	5-60 Years
Furniture & fixtures	7-60 Years
Buildings	40-60 Years
Improvements	15-60 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8 Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components

- a Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets
- b Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation
- c Unassigned net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt"

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted and unassigned, with unassigned further split between committed and assigned

9 Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

10 Long-Term Debt

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

11 Subsequent Events

Management has evaluated subsequent events through May 2, 2012, the date the financial statements were available to be issued.

12 Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of changes in the Commission's financial position and operations.

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2011

NOTE B - HOTEL/MOTEL TAXES

Allen Parish Tourist Commission is authorized to levy and collect a tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the jurisdiction of the Allen Parish Tourism Commission not to exceed three percent of the rent or fee charged for such occupancy

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets follows

	12/31/10			12/31/11
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land costs	\$ 111,331	\$ -	\$ -	\$ 111,331
Museum artifacts	12,936	-	-	12,936
Other capital assets				
Equipment	60,464	-	-	60,464
Furniture & fixtures	20,736	-	-	20,736
Buildings	775,417	-	-	775,417
Improvements	<u>108,280</u>	<u>-</u>	<u>-</u>	<u>108,280</u>
Total	<u>1,069,164</u>	<u>-</u>	<u>-</u>	<u>1,069,164</u>
 Less: Accumulated Depreciation				
Equipment	42,396	1,996	-	44,392
Furniture & fixtures	9,509	1,507	-	11,016
Buildings	89,047	15,608	-	104,655
Improvements	<u>17,184</u>	<u>2,760</u>	<u>-</u>	<u>19,944</u>
Total	<u>158,136</u>	<u>21,871</u>	<u>-</u>	<u>180,007</u>
 Net capital assets	<u>\$ 911,028</u>	<u>\$ (21,871)</u>	<u>\$ -</u>	<u>\$ 889,157</u>

Depreciation expense in the amount of \$21,871 was charged to tourism administration. The Leatherwood Foundation donated a large number of small artifacts to the Commission during 2006. The Commission utilized certain experts to value many of the artifacts. Many of the artifacts were of nominal or indeterminable value. These items included newspaper clippings, photographs, scrapbooks, military medals, old dental paraphernalia, artwork, collectibles, and a myriad of smaller items. These items were not capitalized because there was neither a readily determinable market nor any practical valuation methods. The Commission has inventoried these items and are on display in the museum.

NOTE D - COMPENSATED ABSENCES

Full time employees receive sick leave at a rate of 96 hours per year. Sick leave expires at the end of each fiscal year and has not been accrued in the financial statements. Full time employees also receive annual leave based upon length of employment. The annual leave becomes available to employees on the anniversary date of each work year. Annual leave is paid to employees upon termination of

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2011

NOTE D – COMPENSATED ABSENCES - CONTINUED

employment or retirement Annual leave also expires at the end of each fiscal year and has not been accrued in the financial statements Employees earn annual leave as follows

1 Year	5 Days
2-9 Years	10 Days
10+ Years	15 Days

Accrued leave payable was \$0 for the year ended December 31, 2011

NOTE E - LONG-TERM DEBT

1 Debt Outstanding

Bonds payable at December 31, 2011 is comprised of the following issue

\$213,000 certificate of indebtedness dated April 6, 2006, due in annual installments of \$14,000 to \$29,000 through March 1, 2016, interest at 4 3% \$ 135,000

The following is a summary of the long-term debt transactions during the year ending December 31, 2011

Long-term debt payable at 12/31/10	\$ 160,000
Additions	-
Payments	<u>25,000</u>
Long-term debt payable at 12/31/11	<u>\$ 135,000</u>

2 Debt Service Requirements to Maturity

The annual requirements to amortize all debts outstanding as of December 31, 2011, including interest, are as follows

Year Ending December 31	Principal	Interest	Total
2012	\$ 25,000	\$ 5,268	\$ 30,268
2013	26,000	4,171	30,171
2014	27,000	3,032	30,032
2015	28,000	1,849	29,849
2016	<u>29,000</u>	<u>623</u>	<u>29,623</u>
	<u>\$ 135,000</u>	<u>\$ 14,943</u>	<u>\$ 149,943</u>

ALLEN PARISH TOURIST COMMISSION

Notes to Financial Statements

December 31, 2011

NOTE F - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Commission maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE G - PER DIEM

Per diem paid commissioners for the year ended December 31, 2011 were as follows:

R C Andrus	\$ 50
Mike Karam	500
Betty Clement	450
Wilma Hargrove	500
Martha Turner	450
Keith Guillory	400
Odessa House	500
	<u>\$ 2,850</u>

NOTE H - COOPERATIVE ENDEAVOR AGREEMENT

In March 2010 the Commission was awarded the "Myths and Legends Byway" grant for \$402,712. The grant will be expended over a three year period. The grant has a 20% matching component, to which Allen, Beauregard, and Vernon Parish Tourist Commissions have agreed to share evenly. Therefore, the cost to Allen Parish Tourist Commission will be \$26,847 over the three year period.

Deferred revenue of \$59,624 represents grant/matching funds received through December 31, 2011 that have not been spent.

NOTE I - OPERATING LEASES

The Commission leases a copier whose lease expires December 2014. Lease expense was \$3,140 for 2011.

Minimum lease payments on long-term operating leases by year, and in aggregate, are as follows:

<u>Year Ended</u>	
December 31, 2012	\$ 2,808
December 31, 2013	2,808
December 31, 2014	2,808

NOTE J - CONTINGENCIES

The Commission received \$12,000 from the Allen Parish Police Jury to paint and repair the Commission's building. The funds were received in 2011 and will be spent in 2012.

The Commission received \$19,172 from the Louisiana Tourism Recovery Program to make improvements to the Calcasieu River Park. The funds were received in 2011 and will be spent in 2012.

REQUIRED SUPPLEMENTAL INFORMATION

ALLEN PARISH TOURIST COMMISSION

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2011

	Budget			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Hotel/Motel use tax	\$ 205,000	\$ 150,000	\$ 162,033	\$ 12,033
Interest	2,000	2,000	1,505	(495)
Intergovernmental	-	22,780	53,932	31,152
Miscellaneous income	-	-	3,749	3,749
TOTAL REVENUES	<u>207,000</u>	<u>174,780</u>	<u>221,219</u>	<u>46,439</u>
EXPENDITURES				
Current				
Advertising	20,000	12,900	11,587	1,313
Bank fees	50	90	86	4
Contract labor	2,000	4,000	3,800	200
Dues	1,100	1,200	1,215	(15)
Employee benefits	3,510	3,510	3,506	4
Insurance	13,725	15,000	13,396	1,604
Myths and Legends Byway project	-	23,000	22,780	220
Payroll taxes	6,100	6,300	4,987	1,313
Per diem - board members	4,200	2,850	2,850	-
Professional fees	5,000	5,200	5,315	(115)
Promotions	9,300	9,400	9,274	126
Rent	3,000	3,400	3,740	(340)
Repairs and maintenance	8,700	8,250	8,441	(191)
Salaries	61,000	63,300	65,184	(1,884)
Supplies	9,500	10,300	10,045	255
Telephone	8,500	8,700	8,547	153
Training and education	500	140	135	5
Travel	3,000	4,500	4,959	(459)
Utilities	10,000	10,000	9,706	294
Capital Outlay	1,000	-	-	-
Debt Service				
Principal retirement	28,268	28,268	25,000	3,268
Interest	2,902	2,902	6,171	(3,269)
TOTAL EXPENDITURES	<u>201,355</u>	<u>223,210</u>	<u>220,724</u>	<u>2,486</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,645	(48,430)	495	48,925
FUND BALANCE - BEGINNING	<u>188,444</u>	<u>188,444</u>	<u>188,444</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 194,089</u></u>	<u><u>\$ 140,014</u></u>	<u><u>\$ 188,939</u></u>	<u><u>\$ 48,925</u></u>



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON C.P.A.
RICHARD W. CASIDAY C.P.A.
RAYMOND GUILLORY JR. C.P.A.
GRAHAM A. PORTUS E.A.
COYT VINCENT C.P.A.
MICHELLE LEE C.P.A.
BRADLEY J. CASIDAY C.P.A. C.V.A.
JULIA W. PORTUS C.P.A.
KATHRYN BLESSINGTON C.P.A.
JACKLYN BRANIFF C.P.A.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

May 2, 2012

Allen Parish Tourist Commission
Oberlin, Louisiana

We have audited the financial statements of the Allen Parish Tourist Commission, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2011, and have issued our report thereon dated May 2, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Allen Parish Tourist Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Allen Parish Tourist Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance and other matters with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Allen Parish Tourist Commission and the Commission's management and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Gragson, Casiday & Guillory

ALLEN PARISH TOURIST COMMISSION
Schedule of Findings and Questioned Costs
Year Ended December 31, 2011

1 Summary of Auditors' Results

Type of auditors' opinion issued unqualified

Internal control over financial reporting

Material weakness(es) identified? ___yes x no

Control deficiency(ies) identified that are
not considered to be material weakness(es)? ___yes x none reported

Noncompliance material to financial statements
noted? ___yes x no

2 Findings Relating to the Financial Statements Which Are Required to be Reported in
Accordance with Generally Accepted Governmental Auditing Standards

None

3 Findings and Questioned Costs for Federal Awards

N/A

4 Prior Year Audit Findings

None